

SUBRECIPIENT AGREEMENT
Between CHEROKEE COUNTY, GA
And
THE CITY OF CANTON

THIS AGREEMENT entered this 1st day of January, 2013 by and between Cherokee County, a political subdivision of the State of Georgia acting by and through its duly elected Board of Commissioners [BOC], hereinafter referred to as the "County" and The City of Canton, an organization [either a participating municipality in the Cherokee County Urban County CDBG Program, a quasi-local government agency, a local housing authority, or a private non-profit organization], hereinafter referred to as the "Subrecipient", located within the confines of Cherokee County, Georgia, and/or serving CDBG-eligible residents of Cherokee County.

WHEREAS, Cherokee County has applied for and received Program Year [PY] 2012 funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended [HCT Act], Public Law 93-383, to carry out various housing and community development activities in its unincorporated areas and in municipalities participating in the County CDBG Program.

WHEREAS, the Cherokee County Board of Commissioners has appropriated \$187,425 from CDBG PY 2012 for award to the Subrecipient for the implementation of activities determined to be CDBG eligible by the County funds;

WHEREAS, the Subrecipient agrees to assume certain responsibilities for the implementation of its CDBG assisted activities, and certifies that it will comply with the applicable certifications contained in Exhibit 1; with the Scope of Services provided in Exhibit 2; with any amendments to this Agreement included in Exhibit 3; with the Lease Agreement requirements included as Exhibit 4, if applicable; and, with the property use requirements included as Exhibit 5, if applicable.

NOW, THEREFORE, it is agreement between the parties hereto that;

1. Use of Funds – The Subrecipient shall expend all or any part of its CDBG allocation only on those activities contained in the Scope of Services of this Agreement, which activities the Cherokee County CDBG Program Office shall determine to be eligible for CDBG funds, and shall notify the Subrecipient in writing, under this Agreement and/or subsequent amendments to this Agreement, of such determination of eligibility. CDBG funds provided through this Agreement must be fully expended no later than March 31, 2014.

2. A. Uniform Administrative Requirements – The Uniform Administrative Requirements, as promulgated in 24 CFR Chapter V [Subpart J] at 570.502, shall apply to all activities undertaken by the Subrecipient with CDBG assistance provided by this Agreement and any subsequent amendments.

B. Other Program Requirements – The Subrecipient shall comply with all the requirements of 24 CFR Chapter V [Subpart K] at 570.600 – 570.614, as applicable to the Subrecipient's activity.

3. Procurement – The Subrecipient shall be responsible for procurement of all supplies, equipment, services, and construction necessary for implementation of its activity. Procurement shall be carried out in accordance with the “Common Rule” provisions for governmental entities [24 CFR Part 85] or with the “Common Rule” provisions for non-profit organizations [24 CFR Part 84], the procurement requirements of the Subrecipient, and all provisions of the CDBG Regulations [24 CFR Part 570].

The governing board of the Subrecipient shall formally adopt written procurement procedures which are at least as restrictive as those required in the aforementioned regulations [24 CFR Part 84 or 24 CFR Part 85 as applicable] and shall provide a copy of said procurement procedures and evidence of government board adoption to the County at the time that this Subrecipient Agreement shall be returned to the County for signature by the Chairman of the Cherokee County Board of Commissioners.

The Subrecipient shall prepare, or cause to be prepared, all advertisements, negotiations, notices, and documents; enter into all contracts; and conduct all meetings, conferences and interviews as necessary to insure compliance with the above described procurement requirements.

4. Property Acquisition and Relocation Services – The Subrecipient shall be responsible for carrying out the acquisition of all real property necessary for the implementation of the activity, if applicable. The Subrecipient shall conduct all such acquisition in its name and shall hold title to all properties purchased, [except in such cases as with long term leases (minimum of 15 years)]. Lease requirements are addressed in Section 18, of this Agreement. The Subrecipient shall be responsible for the preparation of all notices appraisals, and documentation required in conducting acquisitions under the latest applicable regulations of the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 and the CDBG Program. The Subrecipient shall also be responsible for providing all relocation notices, counseling, and services required by said regulations. Should the Subrecipient find it necessary to change the use of or dispose of the property acquired with CDBG funding assistance, the requirements of 24 CFR Part 570.505 governing change of use and/or property disposition shall apply. Such a change in use may also require an amendment to this Agreement, including changes in Exhibits 2, 3, 4, and/or 5.
5. “Force Account” Work – The Subrecipient (limited to participating municipalities) may undertake public facility construction or renovation activities using municipal labor and equipment. Eligibly costs of labor and equipment may be reimbursed by the County using CDBG funds, based upon submission of proper and acceptable invoice(s) and documentation of all costs – as prescribed by the County.

6. Record Keeping/Reporting

- A. Financial Record Keeping

The Subrecipient shall maintain records of the expenditure of all CDBG funds it receives, such records to be maintained in accordance with OMB Circulars A-87, A-110, A-122, A-133 and with the “Common Rule” provisions [24 CFR Parts 84 and 85], as applicable. All records shall be made available, upon County request, for inspection(s) and audit(s) by the County, or by its

representatives. If a financial audit(s) determines that the Subrecipient has improperly expended CDBG funds, resulting in the disallowance of such expenditures by the County and/or by the U.S. Department of Housing and Urban Development, the County reserves the right to recover from the Subrecipient other non-CDBG monies to fund such disallowed CDBG expenditures. Audit procedures for the Cherokee County CDBG Program are specified in Section 19 of this agreement.

B. Programmatic Record Keeping/Reporting

For limited clientele (including "Direct Service" and "Presumed Benefit") activities the Subrecipient shall provide, on a monthly basis, sufficient information to the County on services carried out for all persons served and on CDBG-eligible persons served by activities receiving CDBG assistance under this Agreement. The purpose of the monthly reporting is to enable the County to prepare and submit periodic and annual reports to the U.S. Department of Housing and Urban Development. These Subrecipient-prepared reports shall be submitted in a format provided by the County [See Exhibit 2, if applicable to this Agreement] and at a time no later than the 15th calendar day of each month of each year until all CDBG funds for the activity(s) shall be fully expended, plus five years. The five year reporting period should not be confused with the "continued use" provisions of this agreement, as specified in Exhibit 2, "Scope of Services." The County shall provide reporting forms and technical assistance to the Subrecipient on the procedures to be followed to collect and report these programmatic data.

7. Subrecipient's Obligation - The Subrecipient shall be responsible for carrying out its actions in accordance with the certifications contained in Exhibit 1 of this Agreement. The Subrecipient shall take all necessary actions to comply with the requirements of the certifications/assurances in Exhibit 1, and to comply with any requests by the County in this connection; it being understood that the County has responsibility to the U.S. Department of Housing and Urban Development for insuring compliance with such requirements. The Subrecipient will also promptly notify the County of any changes in the scope or character of the activity(s) assisted through this Agreement.
8. "Hold Harmless" - The Subrecipient does hereby agree to release, indemnify, and hold harmless the County, its employees and agents from and against all costs, expenses, claims, suits, or judgments arising from or growing out of any injuries, loss or damage sustained by any person or corporation, including employees of Subrecipient and property of Subrecipient, which are caused by or sustained in connection with the tasks carried out by the Subrecipient under this Agreement.
9. Funding - The County agrees to provide the Subrecipient with CDBG funds in such amounts as agreed upon in this Agreement to enable the Subrecipient to carry out its CDBG-eligible activity. It is understood that the County shall be held accountable to the U.S. Department of Housing and Urban Development for the lawful expenditure of CDBG funds under this Agreement. Therefore, the County shall make no reimbursement of CDBG funds to the Subrecipient and draw no funds from HUD/U.S. Treasury on behalf of a Subrecipient activity, prior to having received proper invoice(s) and copies of supporting documentation from the Subrecipient for the expenses incurred, to insure that the Subrecipient has complied with all applicable regulations and requirements.

10. Environmental Clearance - The CDBG Program shall be responsible for carrying out environmental reviews and clearances on all activities. The Subrecipient shall be responsible for providing necessary information, in a timely manner, to the County to accomplish this task.

Funding provided through this agreement is "conditionally approved" subject to the completion of the Environmental Review Process by the County. Notwithstanding any provision of this Agreement, the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the County CDBG Program of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58. The parties further agree that the provision of any funds to projects/activities included in this Agreement is conditioned on the County's determination to proceed with, modify or cancel the projects/activities based on the results of a subsequent environmental review.

The Subrecipient may not obligate or expend any funds provided through this Agreement until the County provides to the Subrecipient a "Notice to Proceed", which shall represent, in part, the completion of the environmental review process, and the Release of Funds by HUD for the projects/activities contained in this Agreement.

11. Wage Rates - The County shall be responsible for the preparation of all requests for wage rate determinations on CDBG activities, on behalf of the Subrecipient. The Subrecipient shall notify the County prior to initiating any activity, including advertising for contractual services, which will include costs likely to be subject to the provisions of the Davis-Bacon Act and its implementing regulations. The County will provide technical assistance to the Subrecipient to ensure compliance with these requirements.
12. Technical Assistance - The County agrees to provide technical assistance to the Subrecipient in the form of oral and/or written guidance and on-site assistance regarding CDBG procedures and project management. This assistance will be provided as requested by the Subrecipient, and at other times, at the initiative of the County, or when the County provides new or updated CDBG Program information to the Subrecipient.
13. Review Authority - The County shall have the authority to review any and all procedures and all materials, notices, documents, etc., prepared by the Subrecipient in implementation of this Agreement. The Subrecipient agrees to provide all information required by any person authorized by the County to request such information from the Subrecipient, for the purpose of reviewing the same.
14. Agreement Suspension and Termination - In accordance with the provisions of 24 CFR 85.43, or with the provisions of 24 CFR 84.60-62, suspension or termination of this Agreement may occur if the Subrecipient materially fails to comply with any term of this Agreement. The Agreement may be terminated for convenience in accordance with 24 CFR 85.44 or with 24 CFR 84.60-62. This Agreement may be terminated with or without cause by either party, hereto, by giving thirty (30) calendar days written notice of such termination. However, CDBG funds allocated to the Subrecipient under this Agreement may not be obligated or expended by the Subrecipient following such date of termination. Any funds allocated to the Subrecipient under this Agreement which

remain unobligated or unspent upon such date of termination shall automatically revert to the County.

15. Agreement Amendment(s) - This Agreement may be modified or amended by mutual agreement of the parties; however, no waiver, modification or amendment of any terms, conditions or provisions of this agreement will be valid, or of any force or effect, unless made in writing, approved by the respective parties' governing bodies and properly executed by the authorized representatives of the parties. All amendments to this Agreement shall be made a part of the Agreement by inclusion in Exhibit 3, which will be attached at the time of any amendment(s). If the Subrecipient seeks an amendment to this agreement, the request for such amendment shall be submitted in written form to the Cherokee County CDBG Program in a format prescribed by the Housing and Community Development Program. If an amendment to the Cherokee County Consolidated Plan is required, the Subrecipient shall be informed of such requirement and the steps required to effectuate such a Consolidated Plan amendment.
16. Effective Date and Termination Date - The effective date of this Agreement is the date specified on Page 1 of this Agreement. The termination date of this Agreement is December 31, 2013.
17. Program Income - If the Subrecipient generates any program income as a result of the expenditure of CDBG funds, the provisions of 24 CFR 570.504(c) shall apply, as well as the following specific stipulations:
 - A. The Subrecipient acknowledges, by executing this Agreement, that it must notify the County of the receipt of any program income during the calendar month that such program income is generated.
 - B. Any such program income must be paid to the County within seven calendar days following the end of the month in which the program income is generated. Such payment to the County must include any interest or other earnings generated from the program income during the time the program income was in the possession of the Subrecipient.
 - C. The Subrecipient further acknowledges, by executing this Agreement, that the County has the responsibility for monitoring and reporting to the U.S. Department of Housing and Urban Development (HUD) on the generation of any such program income. The Subrecipient acknowledges its responsibility for appropriate record keeping and reporting to the County on the generation and/or receipt of such program income.
 - D. In the event of close-out or change in status of the Subrecipient, any program income that is on hand or received subsequent to the close-out or change in status shall be paid to the County within 30 calendar days of the official date of the close-out or change in status. The County agrees to notify the Subrecipient in writing, should closeout or change in status of the Subrecipient occur as a result of changes in CDBG Program statutes, regulations, and/or instructions.
18. Real Property / Non-Real Property [Non-Expendable] Continued Use - The following standards shall apply to real property/non-real property (within the control of the Subrecipient) acquired or improved, in whole or in part, using CDBG funds. The standards are:

A. Change in Real Property Status:

1. Sale of Property:

The Subrecipient may sell the property acquired or improved with CDBG assistance at any time. If the Subrecipient sells the property or otherwise transfers ownership [title] to another entity that continues to use the property for an activity that meets a CDBG National Objective and is an eligible activity, the County will not require the Subrecipient to repay funds to the County's CDBG Program. If the Subrecipient sells the property or transfers ownership [title] to another entity that **does not continue** to use the property for an activity that meets a CDBG National Objective and is an eligible CDBG activity, the County will require the Subrecipient to repay to the County CDBG program the fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of and improvements to the property. However, prior to such sale of CDBG-assisted property the Subrecipient shall notify the County in writing of its intent to sell the property and shall determine the fair market value of the property by obtaining at least one review appraisal of the property performed by separate appraisers who are licensed by the State of Georgia.

If the Subrecipient sells or transfers the ownership [title] to the property at a point in time five [5] years after the County receives its last increment of CDBG funding, the County will not require the Subrecipient to reimburse the County's CDBG Program.

2. Change in Use of Property:

The Subrecipient may change the use of the property at any time provided it complies with the following stipulations:

- (a) If the Subrecipient proposes to change the use of the property to an activity **that meets** a CDBG National Objective and is an eligible CDBG activity, the County will **not** require the Subrecipient to repay funds to the County's CDBG Program.

However, prior to such change in use the Subrecipient shall notify the County in writing of its intent to change the use of the property to permit the County to notify affected citizens with reasonable notice of and opportunity to comment on the proposed change in use, as required by 24 CFR 570.505.

- (b) If the Subrecipient proposes to change the use of property to an activity that does **not meet** a CDBG National Objective or is not an eligible activity, the County will require the Subrecipient to reimburse the County's CDBG Program the fair market share of the property as adjusted for non-CDBG funds.

However, prior to such change in use the Subrecipient shall notify the County in writing of its intent to change the use of the property and shall determine the fair market value of the property by obtaining at least one appraisal and at least one review appraisal of the property performed by separate appraisers who are licensed by the State of Georgia.

- (c) If the Subrecipient proposes to change the use of the property at a point-in-time five [5] years after the County receives its last increment of CDBG funding, the County will not require the Subrecipient to reimburse the CDBG Program.
- B. Cherokee County, under the Reversion of Assets Provision under 570.503 (7) and Section 18 (b)(1)(2)(a)(b) of the agreement, herein, can waive the repayment obligation by the Subrecipient providing a current fair market "like-amount" of funds at another facility which serves the eligible clientele, by transferring the "eligible use" of the existing property to a newly acquired property so that the original CDBG funds will continue to carry out eligible CDBG activities. In the event that a Subrecipient should dispose of a CDBG-funded real property which has increased in value, and chooses to acquire a property of less than the current fair market value of the existing property, the Subrecipient shall repay the County, from non-CDBG funds, the difference between the existing real property current fair market value and the lesser value transferred to another "eligible" property site where eligible CDBG activities are to be carried out.
- C. The Subrecipient shall inform the County, in writing, at least [30] calendar days prior to any modification or change in the use of real property from that specified in this Agreement, at the time of acquisition or improvements, including disposition.
- D. Any Program Income generated from the disposition or transfer of property prior to or subsequent to the closeout, change of status or termination of the Subrecipient Agreement between the County and the Subrecipient shall be repaid to the County at the time of disposition or transfer of the property.
- E. A lease agreement, in a format prescribed by the County, must be executed between the County and the Subrecipient for any County CDBG-assisted Subrecipient activity which is to be carried out wholly, or in part, on County-owned real property. The lease agreement shall be included in this Subrecipient Agreement as Exhibit 4. Said lease agreement must contain, at a minimum, the following items and any other items determined by the County to be applicable to the specific lease:
1. The beginning and ending dates of the lease (at least 15 years to be eligible for CDBG funding assistance).
 2. Identification of the parties to the lease; i.e., the Lessor shall be the County and the Lessee shall be the Subrecipient.
 3. Identification of the precise land parcel(s) and/or structure(s) which constitute the subject of the lease.
 4. Identification of the CDBG-eligible use of the real property(s) and/or structure(s).
 5. A termination statement acceptable to the County and the U.S. Department of Housing and Urban Development.

6. The lease must contain a regulatory compliance statement indicating that the terms are in conformance with all applicable Federal, State, and Cherokee County rules, regulations, and requirements.
 7. The lease must contain a maintenance of property statement indicating that the property(s) and/or structure(s) which is the subject of the lease agreement will be maintained in conformance with all applicable Federal, State, and Cherokee County rules, regulations, and requirements.
 8. The lease must contain a non-assignability clause indicating that the lease may not be assigned to any other party(s) without prior written approval by the County and subsequent execution of an amendment to the lease and to this Subrecipient Agreement.
 9. The lease must contain an insurance certification statement indicating that the lessee will maintain appropriate types of insurance, as specified in the lease, on the property(s) and/or structure(s), which is the subject of the lease.
 10. The lease must contain an indemnification statement, as specified by the County.
 11. The lease must contain a statement as to governance, performance, and enforcement under the laws of the State of Georgia.
 12. The lease may contain special conditions unique to the specific lessor/lessee circumstances and/or unique to the specific property(s) and/or structure(s).
- F. If the Subrecipient wishes to carry out its CDBG-assisted activity on real property(s) and/or in a structure(s) which is owned neither by the Subrecipient nor by the County, a long-term lease (minimum 15 years) must be executed which meets the standards specified in Section 18 (f), above. However, prior to execution of said lease, the County must approve the form and content of the Lease Agreement to insure its compliance with the terms of this Agreement.
- G. Private non-profit subrecipient organizations must also execute a real property use document(s) with the County, if required by the County. Such a document(s) provides the County with a mechanism to insure its fiduciary interest in the property(s) and/or structure(s) for which the County provided CDBG funds to the private non-profit organization via this Agreement.

In the event of the dissolution or change in status of the private non-profit organization or change in scope of the CDBG-assisted activity -- resulting in the CDBG-assisted activity becoming an ineligible CDBG activity, as defined by CDBG rules and regulations applicable at the time of such dissolution or change in status -- the County shall, at its option, exercise its right to obtain its appropriate share of the value of the CDBG-assisted property, as permitted by the rules and regulations governing the CDBG Program at the time of such an occurrence, and as specified by this Agreement. The real property use documents referenced, herein, shall be appended to this Agreement and shall constitute Exhibit 5.

19. Audits:

The Subrecipient agrees to comply with the requirements of:

- A. The "Government Auditing Standards, Standards for Audit of Governmental Organizations, Programs, Activities and Functions," 1994 Revision or its successors, ["The Yellow Book"] issued by the Comptroller General, United States General Accounting Office.
- B. The "Single Audit Act of 1984" [P.L. 98-502], as amended by the Single Audit Act Amendments of 1996 [P.L. 104-156], requires that States, local governments and nonprofit organizations which receive federal funds must have audits performed in conformance with the Single Audit Act, as amended, and with implementing Circulars issued by the Office of Management and Budget. Subrecipient entities must have their audits prepared consistent with the requirements of OMB Circular A-133, or its successor.

If the minimum monetary amounts requiring the preparation of the Single Audit, as stated in Circular A-133, are not triggered, the Subrecipient shall provide to the Cherokee County Community Development Block Grant Office two (2) copies of its normal independent auditor's report, as soon as practicable following the close of its fiscal year, but not later than 9 months following the close of each such year. The independent audit which addresses the Community Development Block Grant funds received/expended by the Subrecipient shall, conform to the County Audit Standards described in Section 19.C. of this Agreement.

- C. Cherokee County Audit Standards for CDBG Subrecipients Where Single Audit Act Requirements Do Not Apply:

Because Cherokee County is responsible for any grant funds provided to all subrecipients, any organizations or cities which expend a total of more than \$100,000.00, but less than \$300,000.00 of CDBG funds, in any fiscal year from this agreement must have an independent audit of those funds performed annually or shall follow procedures specified, herein, as if all funds were subject to the requirements below.

- 1) A statement by the executive financial official of the organization or city that they have read and adhered to the requirements of OMB Circular A-133 and have met those requirements as they are applicable to their organization. This statement should be in written form and submitted to Cherokee County within thirty (30) calendar days following the end of the fiscal year of the Subrecipient;
- 2) All requests to the CDBG Program Office for CDBG reimbursements shall be approved by an individual at least one level above the person who prepares the reimbursement request. If the reimbursement request is prepared by the Chief Financial Administrator of the organization, the request shall be approved by a Chairperson or other designated member of the organization's governing board;

- 3) For all CDBG requests for reimbursement, the invoice and accompanying copies of checks and other supporting documentation shall be submitted with the reimbursement request;
- 4) The Cherokee County CDBG Program Office shall periodically perform program reviews of Subrecipient financial records and systems not less often than one time during the Subrecipient's fiscal year, including the review of Subrecipient records, at least annually, at the offices of the Subrecipient. This review should include procedures to request and verify documentation of all expenditures requested in a single reimbursement request;
- 5) Any appropriate corrective action for instances of noncompliance as a result of these program reviews has been taken within six (6) months of notification by the County that these reportable conditions exist;
- 6) At each fiscal year end, the Subrecipient shall submit to the County CDBG Program Office a financial statement prepared from the Subrecipient's financial records that presents the revenues received from the Cherokee County Community Development Block Grant Program and the expenditures for which these funds were used; and

The above procedures will provide the County's independent auditor with sufficient information to determine whether the Subrecipient has materially complied with the applicable laws and regulations, as they govern their programs. If any of the above procedures provide less information than is already required by this agreement, then the applicable procedures already stated in the agreement shall govern the Subrecipient's responsibilities to the County.

- D. The Subrecipient agrees to have its Single Audit or other independent audit performed, in conformance with these Federally-required and the County stipulations, at its own cost and not payable with CDBG funds.
 - E. The Subrecipient further agrees to submit one (1) copy of its Single Audit Report or independent auditor's report to the Cherokee County CDBG Program Office as soon as practicable following the close of the Subrecipient's fiscal year, but in no case shall the audit report be submitted to the County CDBG Program Office no later than nine (9) months following the close of the Subrecipient's fiscal year which is the subject of the audit in question.
 - F. The County reserves the right to recover, from non-CDBG sources of the Subrecipient, any CDBG expenses of the Subrecipient which are questioned or disallowed by the Subrecipient's independent auditor or by the County's independent auditor as a part of their review of the Subrecipient's audit.
20. The Subrecipient shall comply with all the applicable requirements of 24 CFR 570 [CDBG Regulations], the "Common Rule" [24 CFR Parts 84 and 85 - as applicable], OMB Circulars A-87, A-110, A-122, and A-133, as applicable. These documents are incorporated as a part of this

Agreement by reference, herein. The referenced documents are also available from the County CDBG Program Office, upon request.

21. USE OF CDBG FUNDS BY FAITH BASED ORGANIZATIONS:

A. ELIGIBLE & INELIGIBLE USES:

1. A subrecipient organization may not use direct HUD funds to support inherently religious activities, such as worship, religious instruction, or proselytization. If the participating organization engages in these activities, the activities must be offered separately, in time or location, from the programs or services directly funded with HUD assistance, and participation must be voluntary for the beneficiaries of the HUD-funded program or service.
2. Faith Based organizations may use space in their facilities to provide HUD funded services, without removing religious art, icons, sculptures, or other religious symbols. In addition, a faith based organization may retain religious terms in its organizations name, select its board members on a religious basis, and include religious references in its organization mission statements and other governing documents.
3. Faith Based organizations that participate in a HUD sponsored program, **shall not**, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion, or religious belief.
4. Faith Based organizations cannot use direct HUD CDBG funds for the acquisition, construction, or rehabilitation of structures to the extent those structures are used for inherently religious activities. However, HUD funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under the specific HUD program. In the event a structure is used for both eligible and inherent religious activities, HUD funds may not exceed the cost of the portion of the acquisition, construction, or rehabilitation that are attributable to eligible activities.

22. PERFORMANCE:

- A. The subrecipient, while utilizing these CDBG funds to increase capacity, services, or expansion of services for Low/Moderate Income households through those activities deemed eligible by HUD, will continue, on an on-going basis, to meet or exceed the performance goals as indicated in Exhibit 2 [Scope of Services]. Failure to maintain an adequate level of service or provide a quantifiable increase in services over the specified time period as defined by this agreement shall make the Subrecipient subject to various disciplinary actions that include, but are not limited to, the following: suspension or probation of current grant activities; termination of current grant agreement with CDBG funds being reimbursed to the County; and debarment from participating in future years CDBG application cycles until measurable improvement can be achieved and sustained.

23. RECOGNITION OF CHEROKEE COUNTY CDBG PROGRAM

- A. The Subrecipient shall insure that the Cherokee County Board of Commissioners, the County Manager, and HUD are provided proper recognition in the following types of activities.

1. All CDBG Public Facilities and Capital Public Services Projects will affix proper signage in a prominent position inside/outside of its administrative offices and outside of all Project Sites which includes language recognizing the role the CDBG Program, the Cherokee County Board of Commissioners, County Manager, and HUD have provided.
2. Provide the CDBG Program Office, the Cherokee County Board of Commissioners, and the County Manager with adequate lead time to assist in the planning and implementation of any Groundbreakings, Dedication Ceremonies, and Special Events in Projects funded in whole or in part with CDBG funds.
3. Copies of all reports, newspaper feature stories and articles, brochures, newsletters, advertisements, and other published materials shall contain statements which provide adequate recognition of the support provided by the Cherokee County Board of Commissioners, the County Manager, and HUD in the funding assistance provided to the Subrecipient.
4. Attend and/or hold such meetings, hearings, and related gatherings as the CDBG Program Office, the Cherokee County Board of Commissioners, the County Manager, and HUD require.

IN WITNESS WHEREOF, the parties hereunto have affixed their signatures on the dates specified below:

FOR THE SUBRECIPIENT:

The City of Canton

Signature

Gene Hobgood Mayor
Type or Print Name and Title

Signature Date: _____

FOR CHEROKEE COUNTY:

Cherokee County Board of Commissioners

Signature

L. B. Ahrens, Jr., Chairman
Type or Print Name and Title

Signature Date: _____

[Impress City or Corporate Seal Here]

ATTEST:

Signature

Name/Title (Print or Type)

Signature Date: _____

ATTEST:

Signature

Christy Black, County Clerk
Name/Title (Print or Type)

Signature Date: _____

Subrecipient Governing Body

Approval Date: _____

[See Also Attached Exhibit(s)]

*Approved as to Form:
R.W. M. Nye
City Attorney*

EXHIBIT 1

COMMUNITY DEVELOPMENT BLOCK GRANT
GRANTEE CERTIFICATIONS

In accordance with the Housing and Community Development Act of 1974, as amended, ("the Act") and with 24 CFR 570 of the Community Development Block Grant regulations, the Subrecipient certifies that:

- (a) It possesses legal authority to accept and execute a Community Development Block Grant award from Cherokee County;
- (b) Its governing body has duly adopted or passed, by at least a majority vote, as an official act a resolution, motion or similar action authorizing the acceptance of this grant for the purposes specified in this Agreement and directing and authorizing its appropriate personnel to execute and implement this Agreement and to provide to the County such additional information as may be required;
- (c) Provides for and encourages citizen participation, with particular emphasis on participation by persons of low-and-moderate income who are residents of slum and blighted areas and of areas in which funds are proposed to be used, and provides for participation of residents in low- and moderate-income neighborhoods, as defined by the County;
- (d) Provides citizens with reasonable and timely access to local meetings, information, and records relating to the Subrecipient's use of funds, as specified in this Agreement,
- (e) Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for persons with disabilities;
- (f) Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate;
- (g) The grant will be conducted and administered in compliance with:
 - 1. Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 42 U.S.C. Sec. 2000d et seq.); and
 - 2. The Fair Housing Act (42 U.S.C. 3601-20);
- (h) It will affirmatively further fair housing;
- (i) It will carry out the activities specified in this Agreement consistent with the goals, objectives, and strategies of the Cherokee County Consolidated Plan;
- (j) It will not attempt to recover any capital costs of public improvements assisted in whole or in part with funds provided under section 106 of the Act or with amounts resulting from a guarantee under section 108 of the Act by assessing any amount against properties owned and occupied by

persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:

1. Funds received under section 106 of the Act are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under Title I of the Act; or
 2. For purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient funds received under section 106 of the Act to comply with the requirements of subparagraph (1) above;
- (k) Its notification, inspection, testing and abatement procedures concerning lead-based paint will comply with 24 CFR Part 570.608;
- (l) It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as required under 24 CFR Part 570.606;
- (m) It has adopted and is enforcing:
1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
 2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;
- (n) To the best of its knowledge and belief:
1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
 3. It will require that the language of paragraph (n) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under

grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly;

(o) It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about:
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within thirty (30) calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

8. The site(s) for the performance of work done in connection with the specific grant:

Place of Performance: Juniper Street

Name of Organization: City of Canton, Georgia

Name of Project: Juniper Street Improvements

(p) It will comply with the other provisions of the Act and with other applicable laws.

Signature - Subrecipient Chief Elected Official or Board Chair

Gene Hibbard, Mayor

Typed Name - Subrecipient Chief Elected Official or Board Chair

Title

Signature Date

ATTEST:

*Approved as to Form:
Rob M. Nye
City Attorney*

Signature

Typed Name

Title

Date

APPENDIX TO CDBG CERTIFICATIONS
INSTRUCTIONS CONCERNING LOBBYING, DRUG-FREE WORKPLACE, AND
DEBARMENT AND SUSPENSION REQUIREMENTS:

A. Lobbying Certification - Paragraph n

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

B. Drug-Free Workplace Certification - Paragraph o

1. By signing and executing this Agreement, the Subrecipient is providing the certification set out in paragraph (o).
2. The certification set out in paragraph (o) is a material representation of fact upon which reliance is placed when the County awards the grant. If it is later determined that the Subrecipient knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act of 1988 [42 USC 701], as set forth at 24 CFR Part 21.
3. Workplaces under this Agreement shall be identified in this Agreement. Failure to identify all known workplaces constitutes a violation of the Subrecipient's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place.
5. If the workplace identified to the County changes during the performance of the grant, the Subrecipient shall inform the County of the change(s), if it previously identified the workplaces in question (see paragraph three).
6. Definitions of terms in the Drug-Free Workplace common rule apply to this certification. Subrecipient's attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of *nolo contendere*) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a Subrecipient directly engaged in the performance of work under a grant provided through this Agreement, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are not on the Subrecipient's payroll. This definition does not include workers not on the payroll of the Subrecipient (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the Subrecipient's payroll; or employees of subrecipients or subcontractors in covered workplaces).

7. Subrecipients shall comply with the government-wide non-procurement debarment and suspension requirements in 2 CFR Part 2424. These government-wide requirements restrict subcontractors and contractors with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance program or activities.

EXHIBIT 2
SCOPE OF SERVICES

The following activities and/or projects shall be carried out by the Subrecipient, under the terms of this Agreement and its accompanying certifications and reporting requirements:

Agency: **City of Canton, Georgia**

Activity Name: **Juniper Street Improvements**

Activity Number: **CD12-COFC-03J**

National Objective: **Low to Moderate Income Persons – Area Benefit**
Upgrade and/or install new storm water collection system, repair/install sidewalks and full depth reclamation of the street.

STATEMENT OF WORK

The total PY 2012 CDBG budget for this activity shall not exceed \$187,425. The Agreement shall be effective on the date specified on Page 1 of this Agreement and terminate on March 31, 2014. The activity shall be completed by March 31, 2014. After that date, Cherokee County reserves the right to recapture the funds for use on other eligible projects.

The City of Canton will upgrade and/or install new storm water collection system, repair/install sidewalks and reclamation of the street.

GENERAL REQUIREMENTS:

Requests for any reimbursement of the Cherokee County CDBG funded Program shall be submitted to the Cherokee County CDBG Office, with copies of procurement documentation, invoices from vendors, time sheets, and copies of check(s) issued by the Subrecipient to pay such expenses.

The Subrecipient shall develop and maintain property records which are compliant with the requirements described in 24 CFR 84.34 [the "Common Rule"], including procedures for property disposition. If the Subrecipient disposes of the real property and/or non-real property after their useful lives, the procedures outlined in 24 CFR 84.34 shall govern the process for disposition and any use of any revenues derived from the disposition.

No involuntary displacement of persons, businesses, or agencies will occur as a result of this CDBG assisted activity.

Monthly Services Reports [see the form which follows] shall be filed with the Cherokee County CDBG Program Office beginning with the 1st date of operation of the activity(s) and/or vehicle and shall be submitted for a total of 5 years, following the initial month of operation.

The Subrecipient shall file the Non-Real Property Inventory Form [copy enclosed] for the vehicle with the Cherokee County CDBG Program, upon completion of the purchase of each vehicle. The form shall be filed by January 15 of each year, thereafter, for as long as the vehicle shall remain in use as a CDBG-assisted Public Service activity.

EXHIBIT 3

AGREEMENT AMENDMENTS

[Add Amendments If Applicable]

EXHIBIT 4

LEASE AGREEMENT

[Add If Applicable]

EXHIBIT 5

PROPERTY USE REQUIREMENTS

[Add If Applicable]